

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 13, 1995

SUBJECT: **SB 229 - HB 1154**

This bill, if enacted, shall be known as the "Tennessee Minimum Wage Law" and requires every employer to pay each employee wages at a rate of not less than \$5.00 per hour and pay overtime at 1 1/2 times the regular rate of pay for hours over 40 hours per week and this shall not include tips or gratuities of any kind. Every employer shall furnish to each employee at every pay period a legible printed, typewritten or handwritten notice with hours worked, rate of pay, specific deductions, date of payment, and pay period covered.

Any person knowingly or intentionally violating the minimum wage requirements shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not less than one hundred dollars (\$100) nor more than five hundred (\$500) or by imprisonment for not more than thirty (30) days. Any employer in violation shall be liable to the employee or employees affected for 3 times the amount of the unpaid minimum wages, plus interest at 6% per annum.

The fiscal impact from enactment of this bill is estimated to result in an increase in recurring state expenditures of approximately \$98,900

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for four (4) Inspectors and related expenses and a one-time increase in state expenditures of \$25,000 for computers.

Further, the fiscal impact from enactment of this bill to local governments will depend on the number of persons convicted of this offense and the resultant cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill. A reasonable estimate of the impact on local governments cannot be determined but is estimated not to be significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style.

James A. Davenport, Executive Director